Minutes
Waterfront Development Committee
Monday, July 25, 2005
Chambers

Waterfront Development Committee Members Present: Stan Ridgeway, Johan Dybdahl, Jeff Bush, Marc Wheeler, Don Etheridge, Jeff Wilson
Absent: Dan Bruce
Other Assembly Members Present: Merrill Sanford
Staff Present: Donna Pierce, Rod Swope, Dale Pernula, Roger Healy, Rorie Watt, Nathan Bishop, Frances Vlahos-Rohm

I. Call to Order

Mr. Ridgeway called the meeting to order at 12:01pm.

II. Approval of Minutes

The Minutes from 6/22/05 approved with no objection.

III. Public Comment (not to exceed 10 minutes total)

Daniel Glidmann, property manager, Merchant’s Wharf, gave a brief presentation and limited appraisal of the property. This included a site appraisal only, of the 2.5-acre property as if it was raw land. He gave the estimated cost of demolition at $1.3 million dollars including hazmat conditions. There has not been an engineer’s report. The limited appraisal also includes an amount for rental deficiency. In the case of this property, the building actually detracts from the property value. The appraised value of $8.5 million for the property, factoring in rental deficiencies and the negative value of the building, brings the present net value to approximately $6 million. The property owners will be meeting in the very near future to determine exactly what they plan to do with the property. At this time, the intention is to offer a portion of the property to the city, perhaps 2/3 of the existing property. In the scenario with a new facility by the owners, there would be potential for increased tax revenue for CBJ. Their plan may include a new parking area. There are many factors involved with a project here. The owners have looked at many options over the past two years. The two most likely options are to sell it outright, or to build a smaller new facility. Mr. Gildman noted that this information is typically confidential, but the owners are serious about finding middle ground and the best interests for the owners and for the City. The wharf property is important to the CBJ plan for the seawalk. Mr. Wheeler asked about plans for the new facility to include Wings of Alaska. A new facility would accommodate them. The owners are interested in selling the seaside property as opposed to a long-term lease or easement. Vision for a new facility includes a larger seaside plaza with allowance for an unobstructed seawalk.

Dixie Hood, 9350 View Drive, has followed the waterfront planning closely. She expressed general dissatisfaction with the Waterfront Committee, and the difficulty for the public to attend meetings due to its sporadic schedule and meeting cancellations. She would like to have the quorum issues addressed by the Assembly. She suggested members be substituted if there will not be a quorum. She recommended that the committee meet on a regular schedule.
IV. Information Items

A. South Franklin Street Widening -
The committee proceeded to a brief update of the South Franklin Street Widening project. Roger Healy reported that the current proposal from the Tripps and the Belgians was unacceptable, and they did not choose to come back with another proposal. They are proceeding with their initial plan. Ms. Pierce reported that the Archipelago owners were amenable to participation in wider access. Mr. Healy presented a range of options with Archipelago, which may include a land trade for street frontage property, or an outright purchase of property. A trade would keep the cost estimate in the $750,000-$900,000 range. A purchase scenario would be subject to appraisal with the potential to double the cost of the project. Mr. Ridgeway thought it should go before the COW and possible executive session to discuss costs. Budd Simpson would be meeting with the principals again. If the city wants to continue to pursue the project, it needs to happen soon. Some owners are up against the clock for construction timelines. The desired outcome is a wider sidewalk through the whole section. If that can’t happen, other options will need to be considered. Ms. Pierce recommended another conversation with the owners. There was more discussion on the details of the project and ongoing negotiations with owners in the area and including Taku Smokeries.

Ms. Pierce addressed the need for the Seawalk Ordinance revision and update. It was originally drafted in the late 1980s. Staff will be meeting on this and working toward introduction at the second Assembly meeting in August or the first meeting in September. Clear policy framework is necessary for negotiations to continue. Mr. Bush asked about timing and the impact on negotiations with the owners and about how the seawalk information would affect their plans. The assumption of the negotiations was that the city would compensate owners for a percentage of their construction and access with the seawalk as a required part of their projects. The priorities have now shifted down to the Taku Smokeries area. The location of the seawalk for negotiations was based on a setback of 20 feet. Mr. Bush thought it made more sense for the owners to have a longer, wider seawalk through the entire area. Hesitation on the part of the owners was based on the existing frontage they already have. Mr. Sanford expressed the importance of keeping an open mind and foresight in future planning. It is important to be able to look ahead beyond just a year or two, and to be open to possibilities. Long range thinking and planning is needed or opportunities will be missed. Mr. Dybdahl agreed and felt that we also need more flexibility for the owners. He said that staff is on right track with the widening project and if unable to obtain it all, to move forward to other possibilities. Ms. Pierce gave a point of perspective in how much (over $7 million) was spent on the Gastineau Street project for one small neighborhood. Mr. Ridgeway expressed his general concerns about costs and the difficulties when a project cost comes in at triple the estimate. He suggested that there might be a time for the Assembly to consider use of eminent domain.

Setting the next meeting was discussed on the assumption the committee would be going into Executive Session. Ms. Pierce mentioned two pending items for the next meeting: the lightering float presentation from Docks and Harbors and the seawalk ordinance. These items would not be ready until mid August, so the meeting was set for Monday, August 15. Mr. Ridgeway noted that two Assembly members would be absent from that meeting, but there would be a quorum.

B. Item out of Order -
Dee Longenbaugh, 808 Dixon Street, requested to speak briefly representing the Save the Merchant’s Wharf Committee. Ms. Longenbaugh reminded the committee it is the oldest remaining aviation related building in Juneau. Their committee is trying to find a funding source for an outside engineer’s report. She
stressed the importance of maintaining our pieces of history. Preservation of the wharf would be a chance for CBJ to show that intent and hand it down to the citizens of Juneau. Mr. Wheeler asked for clarification of the group’s intent. The committee is recommending that the City purchase the building and have someone else (nonprofit) manage and maintain it.

C. Merchants Wharf Project -
The committee did not go into Executive Session for Mr. Swope’s presentation. It was not necessary in light of Mr. Glidman’s open sharing of the property appraisal information. He reiterated that the City did not approach the building owners and that CBJ does not want to own the building. The primary purpose for the purchase would be the expansion of Marine Park and seawalk access. It is not currently operating at a profit for the owners. Perhaps a non-profit organization could present a proposal to the owners for purchase and maintenance. The owners felt that selling the property to the City would be the best option for all parties. Mr. Swope said that there would be another meeting soon with the property owners, when they were ready to meet. Mr. Wheeler reminded the committee that the Manager has permission from the Assembly to enter into negotiations. Any offer should be fair market value and the owners have the option to do what they want to. It is their decision. There is a grant opportunity for research into the historical background, but not for an engineers report. Mr. Wheeler asked if CBJ engineering staff would be part of any process. City engineers have looked at the building and the owners are well informed about what is needed to maintain the building and bring it up to code. Mr. Swope will provide an update to the as the time comes to make an offer and negotiate. Mr. Wheeler recommended that any further reporting should be to the full assembly, COW or Finance committee. Mr. Ridgeway agreed that any other planning items involved with this project could come before this committee, but cost decisions should now go before the whole body.

D. Other business-
Don Etheridge from the Docks and Harbors Board, shared information about the larger cruiseships being designed and built, and the need to address that as we plan our future expansion of docks and facilities.

V. Next Meeting has been set for Monday, August 15, Noon in Chambers

VI. The meeting was adjourned at 12:48pm.